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RAKOSI REVIEWS ECONOMIC PROGRESS,  
ANNOUNCES END OF RATIONING FOR FARM PRODUCTS

On 30 November 1951, at the Central Committee of the Hungarian Workers Party in Budapest, Matyas Rakosi delivered an address dealing with the progress of Hungary's industrial and agricultural production plans, crop collection, and the abolition of the ration system for farm products.

The following is a summary of Rakosi's address:

In the first 10 months of 1951, Hungary's manufacturing industry produced 29.1 percent more than in the corresponding period of the previous year, but fulfilled its plan only 99.3 percent. Light industry fulfilled its plan 100.9 percent and the over-all shortage is due to the heavy, food, and building industries. Industry also lagged behind the plan in the reduction of production costs. On the other hand, productivity in heavy industry increased 16.5 percent, showing 100.7 percent plan fulfillment. Nevertheless, manufacturing industry as a whole, particularly the food industry, lagged behind the plan also in the reduction of production costs.

During the last 2 months, iron metallurgy accomplished a recovery, resulting in a 102.4 percent plan fulfillment for the first 10 months of 1951. In the building and building materials industries it is expected that, in view of the favorable weather during November, the production plan for the year will be fulfilled, possibly with a surplus.

Food industry fulfilled its plan only 98.8 percent so far this year, due to a meat shortage. On the other hand, the good sugar-beet crop should enable the sugar industry to exceed its annual plan. During recent weeks, delivery of hogs, poultry, and cattle increased and resulted in improvement in meat production. It is therefore expected that the lag in this field, too, will be made good during December.

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Coal mining fulfilled its augmented plan for the first 10 months 94.5 percent. As is well known, a mining conference was held at Tatabanya on 21 October, in which the causes for the lag in coal production -- primarily poor management and lax work discipline -- were discussed openly.

In this connection, attention is directed to the recent mechanization in coal mining. Two years ago, Hungary's coal mines were operated without machines, practically only with picks and shovels. In the course of last year, however, the mines were equipped with over 300 rubber conveyer and scraping belts and stripping and cutting machines, in addition to 1,500 electric coal-boring machines, pneumatic boring and cutting hammers, and other new mechanical equipment. Next year the mines will receive even more machines.

However, training of the miners in the use and maintenance of these machines takes time; accordingly, only gradual benefits should be expected from the mechanization. Nevertheless, as a result of the Tatabanya conference, Hungary's mines produced 80,000 tons, or 6 percent, more coal in November than in October.

Plan Fulfillment

The advances made by Hungarian industry show that the augmented Five-Year Plan is based on a solid foundation and can be completed despite the doubts and carping of the regime's enemies. It should be remembered that at the present stage of the country's industrialization each percent of plan fulfillment is equivalent to the production of 600 million forints' worth of goods. Results achieved so far prove that the second party congress was entirely justified in augmenting the plan.

Consolidation of Producers' Cooperatives

The 1951 crop was the best since the liberation. Current fall sowing is only 3-4 percent short of the plan. Although the November rains have ensured development of the winter crops, deep plowing is still behind schedule.

The number of tractors in the machine stations has increased by 47 percent and amounts to 9,500, including traction machines. The arable land of the state farms totals 864,000 cadastral yokes, of which 772,000 cadastral yokes are under cultivation, while the balance has been assigned to agricultural schools and other special purposes. The state farms have mostly completed the consolidation of smaller strips of land. Both the state farms and machine stations are still suffering from growing pains, notably in poor organization and, in particular, laxity of work discipline. These defects have assumed such proportions that their elimination is a prerequisite for continued advancement in Hungarian agriculture.

There has been a vigorous growth also in the cooperative movement in agriculture this year. At present, there are 4,652 families, numbering 350,000 members in the producers' cooperatives. Their combined arable land holdings, totaling 1,503,000 cadastral yokes, constitute 24.6 percent of the total arable land of the country. The growth was particularly accelerated during the first months of 1951, when the income figures of producers' cooperatives were made public. In these months membership, as well as the area of the arable land of producers' cooperatives, doubled.

Due to poor management, organization, political education, and, primarily, work discipline, however, the producers' cooperatives lagged behind in the performance of the spring, summer, and harvesting operations. The second party

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Congress ordered the party organizations to pay particular attention to the consolidation of the producers' cooperatives, primarily of those farming over 1,000 cadastral yokes. The best specialists, stock breeders, and party workers must be assigned to these large cooperatives, and the local councils must be made responsible for their improvement.

Party organs were also instructed not to tolerate any use of pressure or force to accelerate the cooperative movement. The best propaganda for the movement is prosperity of the producers' cooperatives and results far above the income of the independent peasants. That the somewhat modified method of persuasion was productive is attested by the further growth of the movement this fall. By the end of November, 394 new cooperatives were formed, with 43,454 families, 67,497 members, and 237,000 cadastral yokes of arable land. Over one third of the new members owned more than 7 cadastral yokes each, indicating that the middle peasants are joining the cooperatives in increasing number.

A particularly sharp advance in membership occurred in recent weeks as the cooperatives began publishing their income statements. For example, in the Voros Csillag (Red Star) Producers' Cooperative, the annual gross income equaled 1,500 forints per cadastral yoke. After fulfilling its delivery obligation 110 percent, repaying advances to the state, and apportioning 2,455,000 forints to surplus and 1,954,000 forints to the operating fund, Voros Csillag distributed among its members 4 kilograms of wheat, 3 kilograms of corn, 810 grams of barley, and other products per work unit. The highest earning was scored by Karoly Leval who, together with four members of his family, had 1,700 work units and received 34,000 forints cash, over 86 quintals of wheat, 61.5 quintals of corn, 17 quintals of barley, 7 quintals of potatoes, 190 kilograms of sugar, 170 kilograms of rye, and a quantity of poppy seeds, straw, onions, and vegetables. Other cooperatives have accomplished even better results.

In general, the results of well-run cooperatives are far superior to those of independent peasants. For example, the best independent peasants at Szoreg harvested 13.8 quintals of wheat per cadastral yoke as against 16.74 quintals harvested by the local producers' cooperative. At Rakoczyfalva efficient individual peasants harvested 16 quintals of fall barley per cadastral yoke as against 21 quintals in the local producers' cooperative. At Totkomlos, the corn crop of individual peasants averaged 22 quintals per cadastral yoke as against the local cooperative's average of 55 quintals. A serious and general defect of the producers' cooperatives, however, is neglect of animal breeding.

#### Work Discipline

Poor work discipline constitutes the greatest difficulty in all fields of Hungarian national economy. Unemployment in Hungary is nonexistent; on the contrary, demand for labor is on the increase. During 1951, for example, the number of wage earners and salaried employees increased by 21,000 per month, which is equivalent to an increase of 250,000 per year. This figure does not include high school, university, and retraining course students.

It is easy to find employment, and when an employee is dismissed for violation of discipline, he can choose among ten other places of employment. It also happens that one enterprise lures workers away from another enterprise. As a result, some of the untrained workers take advantage of the situation, neglect their work, go to work late, leave the shop early, miss entire days, pay no attention to their machines and the quality of their production, and, if reprimanded, quit the job and continue their undisciplined activities elsewhere. Lax work discipline is one of the knottiest problems at present.

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Civic Discipline

Numerous kulaks and other well-to-do peasants have been delinquent in tax payments and deliveries. After liberation, over half a million beneficiaries of the land reform were exempted from amortization for 3 years, and no pressure for tax payment was applied even in the following years. A general spirit of laxity resulted, in the course of which thousands of the beneficiaries failed to fulfill their tax and delivery obligations. These same beneficiaries are now indignant because they are required to fulfill their obligations to the state, and some of them are muttering discontentedly.

Delivery statistics show, however, that the majority of the peasants are fulfilling their obligations. During the 5 months since 1 June 1951, grain collection was one million quintals in excess of the total collection during the 12 months of the previous agricultural year. Grain collection is 25 percent, barley and oats collection 50 percent, corn 100 percent, and sunflower seed 50 percent in excess of the respective amounts collected a year ago today.

It is also noteworthy that 485,000 independent peasants have fulfilled their delivery quotas over 100 percent, including 128,000 peasants who fulfilled their obligations 200 percent. The results are even better for the producers' cooperatives, a long list of which exceeded their delivery obligations up to 1,381 percent.

Prosperity in the Province

This year a total of 1,672,000,000 forints have been invested by the government in agriculture. Over 3,000 tractors, 1,250 binders, 850 threshing machines, 850 hay stackers, 990 horse-drawn mowers, and thousands of other machines were given to agriculture. Irrigation was introduced on 31,000 cadastral yokes, and 2,600,000 quintals of fertilizer was distributed.

Telephones were introduced in 170 villages and 75 producers' cooperatives; 216 towns were provided with good drinking water; hundreds of medical stations, ambulances, pharmacies, maternity hospitals, etc. were created; and in 1951 - 1952, 1,400 rural cultural centers, over 2,000 public libraries, and 935 motion-picture theaters will be opened. Schools are being opened in quick succession. This year 10.5 million quintals more sugar beets were delivered to the sugar factories than last year. Sugar beet deliveries alone resulted in an increase of 400 million forints for the producers this year.

Discontinuance of Rationing; Industrialization

In view of the good crops and deliveries, the time has come to discontinue the ration system. Reintroduction of rationing this year was due to a number of factors, such as poor fodder crops over a number of years. As a result, the peasants slaughtered one third of their hogs and 15-20 percent of their cattle stock, which led to meat and fat shortages. The situation was aggravated by the planned action of the enemy, who bought up the available supply of sugar, fat, and flour.

During the last 4-5 years, Hungary was transformed from an agricultural into an industrial country. As a result, the number of wage earners and salaried employees has increased considerably, and demand for food and other consumer goods has shown a parallel increase. The country's agriculture did not keep in step with this development, and while industrial production has reached 250 percent of the last prewar year, agricultural production represents only 116 percent of the average for the 10 years preceding the war. It will take time to alter this situation, because 75 percent of Hungary's agricultural output is produced by small peasant holdings which are unsuitable for the introduction of modern agricultural machinery.

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The ration system tided the country over this confused period temporarily, but its harmful effects have become increasingly apparent lately. It led to an expanded bureaucracy and corruption. Prices for meat, fat, and poultry on the free market increased to many times the rationed prices and speculation became rampant. For example, this year, the state is paying one billion forints for transportation to kulaks who own draft animals.

Since the peasants did not purchase land, tractors, and similar equipment with their increased income from free market prices, the funds were spent primarily on clothing, in which increased scarcity was soon felt. Continued expansion of the ration system would inevitably lead in the wrong direction, while its discontinuance appears to be the only way out.

Prior to abolishing the ration system, it was imperative to stockpile reserves of such commodities as bread, flour, sugar, and soap, to meet increased demands. Since delivery of hogs is just starting, it is planned to discontinue meat and fat rationing in February 1952. To prevent new abuses, such as feeding cheap bread and flour to the hogs and the stockpiling of flour, sugar, etc., by speculators, food and clothing prices must be raised. At the same time, wages, salaries, and pensions will also be increased to offset price increases.

The price increases, in general, will serve to bring about the proper relation between purchasing power and the available supply of commodities. Speculation will be eliminated, since all commodities which attracted speculation will be available at fixed prices and without restrictions in the state retail stores.

No increase is contemplated in rents, electricity and gas rates, postal service fees, and the prices of tobacco products, fuel, bakery goods, vegetables, fruits, newspapers, books, etc., in short, of commodities and services which constitute the bulk of the living expenditures of the average working family.

As an incentive for increased production and deliveries, all peasants who fulfill their delivery obligations will be permitted to sell their surplus products in the free market. Accordingly, restrictions on the transportation of bread grains and flour will be suspended until the next harvest. However, only state enterprises will be authorized to purchase grain for resale. Restrictions on the transportation of barley and oats likewise will be suspended until 30 June 1952. Free sale of corn will be permitted in all towns, districts, and counties which have fulfilled their delivery obligations 100 percent. Restrictions on the sale and transportation of poultry, eggs, milk, dairy products, pork, eggs, fat, and bacon will also be lifted.

These measures undoubtedly will be welcomed by the workers and peasants alike. The workers will be relieved of the commodity shortage which has handicapped their production and fostered speculation, while the working peasants, freed from the numerous restrictions which originated during the war, will gladly produce and sell more, and will bring to the market the stock of produce which they have withheld up to now in view of the fluctuations brought about by speculation.

As a prerequisite for the success of these measures, vigorous action must be taken to enforce the compulsory delivery of farm products.

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